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REPORT ON G-2 M/A's CONFERENCE AT PANAMA 13 JANUARY-17 JANUARY 1947

Since a verbatim report of the speeches, comments from the floor and recommendations of the seven committees will be furnished the Director of Central Intelligence by the Director of Intelligence, WDGS this report will be limited to brief notes and comments.

1. The conference was well organized, well run, and an unqualified success.

2. Interest among attending field representatives of G-2 in CIG, its mission and activities, was considerable. Great interest and concern was evident as to CIG plans in the covert field. All questions in this field were referred to for discussion at his conference with a selected group of field representatives. All other questions were answered by CIG speakers from the rostrum or by personal contact.

3. Questions from the floor following speeches by representatives of ICAPS and OGD were few and generally unimportant. To one question "Is the mission of CIG one of coordination" the following reply was made by the ICAPS representative: "As directed by the President or by the NIA, CIG coordinates the activities of the intelligence agencies. However, as stated in my speech, CIG has several other important functions. First among these is the production of national policy and strategic intelligence estimates for the President and certain other high officials. National intelligence represents the compilation and evaluation from a national point of view rather than from a departmental point of view, of all available information and intelligence." Another function which I described in detail is that of operating centrally such services of common concern as may be mutually agreed by the intelligence agencies, for example, the Washington Document Center, FBIS, etc.

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4. Following the speech by the representative of OCD which discussed coordination of collection as directed under NIA 7, the Director of Intelligence, WDGS made a statement reminding the conference that field representatives would receive their instructions thereon from him through the normal channels and stated CIG's role as being one of coordination only.

5. Colonel Williams, chairman of the conference, in his talk on improving the intelligence products of M/A offices made several references to NIA 7 and the implementing directive that would follow showing how this would help solve many existing problems.

6. Several M/A's wanted to know why no instructions had been received from State implementing CIG Directive No. 16 for the coordination of Biographic reporting. All had received instructions from the War Department thereon. The ICAPS member was asked and promised to look into the matter upon his return to Washington. (Note: State's instructions went out on 27 December by airgram. This indicates the need for stricter coordination by CIG (ICAPS) of outgoing agency directives.)

7. M/A comments to the writer on our program for the coordination of collection were very favorable but many of them are worried about the security problem involved. They informed me that the security procedures in their respective Embassies are extremely lax. Accordingly, Committee No. 7, of which I was a member, recommended the adoption of more stringent security regulations to cover not only M/A and M/A offices but the Embassy as a whole. The recommendations proposed that such a plan be centrally coordinated by an agency such as CIG. It is believed that CIG should grasp this opportunity to promote and enforce adequate security measures for which many feel there is a crying need.

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8. M/A's and W/AA's speeches will, it is understood, be furnished to CIG. Most of them were notable for the great amount of back history and present political situation which they covered and for the very small space devoted to the military picture. The following were amongst some of the more interesting statements made by M/A's: M/A Argentina, General Caldwell, stated that he was in complete agreement with Ambassador Messersmith. Believed Peron was here to stay. The Army is loyal to him. He stated that there is noticeable Russian penetration in Argentina, that the police are very anti-communist, that the communists are not yet organized, that many German deportees are back, that the air force and navy are pro-American, that the present 5 year plan puts the military in charge of all industries even remotely connected with war production, that the Army is well trained but poorly equipped. He strongly recommended that we should be friendly with Peron and believed that if we follow this course we will within 5 years attain the same influence over Argentina that Germany had after 20 years. He said that the Government is still holding off from buying arms from Russia or others in the hope and belief that they will be able to buy them from us but he feared that they would not hold off much longer. (Note: This same comment was made by many M/A's present. As a result Committee No. 7 put in a strong plea for implementing the bilateral staff conversations.)

9. M/A Salvador also brought up the question of returning German deportees whom he stated were returning as representatives of American business concerns much to the surprise of the Salvadorians who want to know if this is U. S. policy. Government supporting Franco in U.N.

10. M/A Uruguay tied Uruguay economically and sociologically to the Argentine.

11. M/A Brasil, General Nugent, gave a good talk on the Brasil military situation.

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12. M/A Cuba, Colonel Glenn, stated Government very unstable, hard times expected by end of year, communism controls labor, is very strong and extends its influence throughout the Carribean.

13. M/A Dominican Republic stated that the country was pulling away from U.S. and turning to the Argentine.

14. M/A Guatemala, until a month ago Government trend distinctly to left, cabinet has now forced President to take a strong hand against labor and Government veering to center. Economic conditions good.

15. M/A Nicaragua, election is in the bag, Samosa will be re-elected. Revolution will be attempted after elections.

16. Many of the field representatives at the conference disagreed with present regulations and quotas for educating L/A military personnel in U.S. They objected to the provision that candidates must be fluent in English saying this cuts out many of those who could be most useful to U. S. interests. Committee No. 7 put in a long recommendation on this subject.

17. Mr. Gibson, Chief, Civil Intelligence Section, operating under the Governor, informed me that he was experiencing great difficulty in obtaining timely notice of the arrival of subversive personnel from the U.S. I asked him to inform of this fact. (Note: From informal inquiry in the War Department, I believe that advice to Panama on the movements of subversive personnel which may affect them is falling between two stools and should be checked up. The peculiar status of the Zone may account for the confusion, together with the fact that I believe FBI's representative has been withdrawn.) Gibson also suggested the advisability of a CIG representative to interview transients and returning American business men, many of whom make their headquarters in Panama and after travelling through L/A do not return to the States. This appears a field for Office of Operations. In connection with Gibson's speech and also that of the G-2 to CDC and PDC it appears that while extensive suspect lists are maintained, little effective work is

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being done by way of counter-propaganda.

18. The situation in Panama is reported unsatisfactory. Communism is increasing rapidly. The Panamanians are mostly openly anti-U.S. and rumors of revolution are rife.

19. Chief of Pan American Branch, WDGS, gave the following collection instructions:

Eliminate economic reports.

Report on Hemisphere defense program, reactions, etc., on anything effecting the Argentine situation or activities, on communist and Soviet satellite activities.

Foreign sales or attempted sales of arms to L/A.

Attendance of L/Americans at foreign military schools, including schools in other Latin American countries, psychological sections of SID.

20. Colonel Treacy, Intelligence Division, WDGS, discussed the relations of SWNCC, J.C.S., JIC, WIA, IAB, and CIG to the further confusion of the conference.

21. Representatives of P&O and CDC in charge of military missions tried to clarify the relation of military mission chief to M/A's in regard to the collection of information. The result was inconclusive. In effect as military mission personnel they can't report intelligence information but as U.S. Army officers they should do so whenever their conscience permits. Since military missions have opportunities to gather a great deal of information wanted by M/A's every effort should be made to make use of these facilities whenever feasible.

22. Recommended reading is speech by Lieut. Col. Rowny (P&O Div) on some of P&O's thinking. Some of this material should be useful to planners in ORE.

RECOMMENDATIONS:

1. That CIG continue to attend conferences of this nature.
2. That in addition to representatives from ICAPS, OSO, and OGD a senior representative from ORE concerned with the area of the

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conference be included. Only limit, placed by G-2, was due to plane accommodations. GIG should if necessary take care of its own accommodations.

3. That State Department be urged to send representatives from Washington; for example, their Chief, Collection.

4. That efforts be made to persuade G-2 to include N/A's, plus a more generous sprinkling of State's field personnel, in their future conferences.

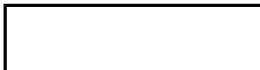
5. That a brief of the speech delivered by the ICAPS representative showing organization and functions of GIG be made available to G-2 for circulation to the M/A offices in L/America. (Note: Numerous requests for same were received at the conference.)



7. That ICAPS initiate procedures to establish and enforce adequate and uniform security regulations and procedures in field offices of State, War and Navy.

ATTACHED ARE:

1. Conference schedule
2. List of those attending conference other than GIG personnel
3. Copy of ICAPS member's speech
4. Copy of OGD member's speech
5. Copy of standing operating procedures for requesting assistance for Air-Land-Sea Search and Recovery Operations
6. Copy of Weekly Air Intelligence Summary produced by Caribbean Air Command
7. Copy of speech by Foreign Liquidation Commissioner, Central Field Commissioner for L/A



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